

Exhibit “E”

Page 1

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

IN RE: NEW ENGLAND
COMPOUNDING PHARMACY,
INC. PRODUCTS LIABILITY MDL No. 2419
LITIGATION

Master Dkt:
1:13-md-02419-RWZ

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THIS DOCUMENT RELATES  
TO:

All Actions

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30(b)(6) VIDEOTAPED DEPOSITION OF
MICHAEL SCHATZLEIN, M.D.

9:11 a.m.
July 21, 2015

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1 Q. (By Mr. Chalos) Okay. Do you know -- are
2 you here to testify about each and every action St.
3 Thomas Health took to ensure that medication injected
4 into patients at STOPNC was safe and free from
5 contaminants?

6 A. St. Thomas Health had no involvement in
7 that matter. So we -- St. Thomas Health did not
8 operate, manage, oversee STOPNC. It was the joint
9 venture with its own board of directors and -- who
10 were appointed by St. Thomas Network. So I -- I don't
11 know what preparation I could do with regard to that.

12 Q. Did you undertake to determine whether St.
13 Thomas Health took any action to ensure that
14 medication injected into patients at STOPNC was free
15 and safe from contaminates?

16 A. That would be the same answer I just
17 rendered, sir.

18 MR. SCHRAMEK: Object to form.

19 THE WITNESS: I -- there was no call
20 for any action to be taken, and so it
21 wasn't relevant to the -- I don't know how
22 to answer a question like that. I just
23 don't know how.

24 Q. (By Mr. Chalos) Did St. Thomas Health take
25 any actions to ensure that medication injected into

1 Q. Is that -- what agreement is referenced
2 there? If you look at D, it references a services
3 agreement between Health and STOPNC.

4 A. There was a single services agreement
5 between Health and STOPNC which had to do with -- with
6 managed care contracting, and it called for the
7 managed care department -- and actually, just to be
8 clear, initially that agreement was with St. Thomas
9 Hospital where the managed care department resided in
10 the early days of STOPNC. And then when the managed
11 care department moved to the St. Thomas Health level
12 as Baptist and St. Thomas became more consolidated,
13 the agreement was changed. And so that became then
14 the first and only agreement between St. Thomas Health
15 and any of its -- and/or any of its predecessors.

16 So that's the sole agreement between the
17 entity that now is known as St. Thomas Health and
18 STOPNC was an agreement most recently I looked it was
19 a matter of \$3,500 per year for review of managed care
20 contracts and St. Thomas Health has, again, the
21 capability that St. Thomas Hospital did before. It's
22 the kind of thing that's difficult for a smaller
23 entity to have the expertise.

24 Q. And you're here today prepared to testify
25 about the services agreement between St. Thomas Health

1 Q. Exhibit 506. It says -- the question is:
2 Has St. Thomas Health ever paid for or provided any
3 personnel, medications, equipment, medical supplies,
4 medical forms, billing services, telephone services,
5 contract -- on, there's a laundry list -- to St.
6 Thomas Neurosurgical. If so, explain in detail, and
7 the answer here is, subject to and without waiving the
8 foregoing objection, see response to Interrogatory 13.

9 And Interrogatory 13 is the interrogatory
10 we just talked about where there are a number of
11 different responses to the different subparts, but my
12 question is: Is that reference in Interrogatory No.
13 15 to the services agreement between St. Thomas Health
14 and STOPNC?

15 A. I'm aware only of, as I previously said,
16 the only agreement between St. Thomas Health and
17 STOPNC is a services agreement for assistance with
18 managed care contracting.

19 Q. Other than the services agreement, has St.
20 Thomas Health ever -- ever provided any other -- any
21 supplies or services to STOPNC?

22 A. No, sir.

23 Q. No. 16, Interrogatory No. 16 on Page 10 of
24 Exhibit 506 says, explain in detail all financial
25 transactions that occurred between St. Thomas Health

1 agreement.

2 A. Okay.

3 Q. It's not the very front page, but it's the
4 front page of the text of the agreement.

5 A. Yes, sir.

6 Q. So the page we're looking for has at the
7 bottom DEREED-ST Network 00005 that's the page and it
8 says on the top St. Thomas Outpatient Neurosurgical
9 Center, LLC operating agreement. Are you with me?

10 A. Yes, sir.

11 Q. And it says in that first paragraph that
12 the operating agreement is made and entered into as of
13 the first day of July, 2000 by and between St. Thomas
14 Health Services, a Tennessee nonprofit corporation,
15 and Neurosurge -- Neurological Surgeons, PC, a
16 Tennessee corporation.

17 Do you see that?

18 A. Yes, sir.

19 Q. The St. Thomas Health Services referenced
20 here, if I understood your testimony, later became St.
21 Thomas Network; is that right?

22 A. Yes, sir.

23 Q. And the name St. Thomas Health Services
24 then began to be used by an entity that later became
25 St. Thomas Health?

1 A. That is correct.

2 Q. And today, those entities are respectively
3 St. Thomas Network and St. Thomas Health; right?

4 A. Yes, sir.

5 Q. At any time, has St. Thomas -- current
6 entity, St. Thomas Health been a party to an operating
7 agreement with Neurological Surgeons or any successor
8 entity of Neurological Surgeons with respect to the
9 ambulatory surgery center now known as STOPNC?

10 A. I'm trying to -- I'm trying to determine
11 whether I need to exclude that services agreement in
12 my answer. Other than the single services agreement
13 between St. Thomas Health and STOPNC, the answer to
14 that question is no.

15 Q. At the time this operating agreement was
16 entered into in July of 2000, St. Thomas Network --
17 I'm sorry -- St. Thomas Health Services was owned
18 solely by Ascension Health; is that right?

19 A. You know, I don't know that to be a fact.
20 I believe that it was -- it was owned by the newly
21 formed merged entity between Baptist and St. Thomas.

22 Q. Okay. You see on that page we were just
23 talking about, 00005, St. Thomas Health Services is
24 abbreviated as STHS?

25 A. Yes.

1 0007, Paragraph 1.1.11, it says the board or board of
2 governors shall refer to those individuals described
3 in Article 7 in whom the management of the LLC is
4 vested. Do you see that?

5 A. Yes, sir.

6 Q. And in 2012, the board of governors
7 included four members total?

8 A. Yes, sir.

9 Q. And two of those members were Dawn Rudolph
10 and Craig Polkow?

11 A. Yes, sir.

12 Q. And two of those members were appointed by
13 St. Thomas Network; right?

14 A. Yes, sir.

15 Q. So in 2012, the board in whom the
16 management of the LLC was vested included two members
17 appointed by St. Thomas Network, two members appointed
18 by the Howell Allen Clinic?

19 A. Yes, sir.

20 Q. If you flip over to the next page, please,
21 0008, I'm looking at Paragraph 1.1.14, it says, center
22 means outpatient -- an outpatient center for the
23 performance of neurological procedures on the campus
24 of St. Thomas Hospital in Nashville, Tennessee.

25 Do you see that?

1 Q. Okay. When you came aboard in 2010, was
2 St. Thomas Network solely a holding company?

3 A. I'm having trouble characterizing the --
4 the solely. It has been a blend of operating and
5 holding evolving towards holding. So I'd have to -- I
6 can't answer beyond that.

7 Q. Today, is St. Thomas Network solely a
8 holding company?

9 A. Yes, sir.

10 Q. In, let's say, July of 2012, do you know
11 whether it was solely a holding company, Network, that
12 is?

13 A. With respect to STOPNC, it functioned as a
14 holding company.

15 Q. What do you mean by that?

16 A. That means that it held our interests in --
17 it held the 50 percent interest in STOPNC and
18 appointed board members to oversee the work of STOPNC
19 and had no role in the operations of STOPNC.

20 Q. Was -- is it your belief that St. Thomas
21 Network was always just a holding company with respect
22 to STOPNC?

23 A. Yes, sir, it never had any operating
24 responsibility for STOPNC.

25 Q. And so whatever its obligations were under

1 successfully.

2 Q. The members in 2012 -- well, at all
3 times -- of STOPNC were St. Thomas Health Services and
4 its successor named organizations and Neurological
5 Surgeons, PC and its successor organizations; is that
6 right?

7 A. Yes, which has generically been referred to
8 even here by you and me as Howell Allen Clinic. So
9 yes.

10 Q. If you'll flip over to the next page, 0010,
11 looking at Paragraph 1.1.28, it says, managers means
12 the president, secretary and any other managers who
13 may be designated from time to time by the board of
14 governors to manage the affairs of the LLC pursuant to
15 the provisions of Article 8 of the agreement. Do you
16 see that?

17 A. Yes, sir.

18 Q. Did the board of governors of STOPNC
19 actually appoint managers, to your knowledge?

20 A. Yes.

21 Q. Do you know who the managers of the LLC
22 were in 2012?

23 A. In 2012, president was Dr. Lanford. And
24 there was also a -- a director or operations manager
25 of some title of which I'm not certain. Those would

1 be the two principal operators. And there was also a
2 services agreement with Howell Allen Clinic to provide
3 all the employees and the medical director.

4 Q. Okay. Do you know who that operations
5 manager was in 2012?

6 A. Oh gosh, her name is escaping me. It's --
7 it's been well produced.

8 Q. Yeah, is it Debra Schamberg?

9 A. Yes.

10 Q. Did the board of governors of STOPNC
11 approve the services agreement with Howell Allen
12 Clinic by which the medical director was designated?

13 A. The board of governors of STOPNC? I wasn't
14 a member of the board of governors of STOPNC. That
15 would be customary corporate practice that they would.

16 Q. Did the board members of STOPNC who were
17 appointed by St. Thomas Network provide any kind of
18 periodic reporting to St. Thomas Network of the
19 operations of STOPNC?

20 A. Assurances that regulatory requirements
21 were being met and financial information.

22 Q. On what periodic basis would the board
23 members of STOPNC who were appointed by St. Thomas
24 Network report to the St. Thomas Network board?

25 A. Typically quarterly.

1 MR. SCHRAMEK: Object to the form.

2 THE WITNESS: Sometimes Network

3 doesn't manage STOPNC. So there --

4 there -- I don't recall, but there were no

5 employees. So typically the general

6 nature, the generic nature of Network

7 during my tenure has been to hold entities

8 that we do not manage or control.

9 Q. (By Mr. Chalos) We being --

10 A. Hold our interest in entities that St.

11 Thomas Health does not own or control. So Network is

12 a subsidiary that sits there with the important

13 responsibility of appointing board members and

14 receiving reports about investments that we have in

15 entities that we do not own or control. That's its

16 current purpose and that has always been its purpose

17 with regard to STOPNC.

18 Q. During your tenure?

19 A. Yes, sir.

20 Q. In 2012, did St. Thomas Network manage any

21 entities, taking out the word other, entities?

22 A. I do not believe so.

23 Q. In 2012, did Network hold the interest of

24 St. Thomas Health in any entities other than STOPNC?

25 MR. SCHRAMEK: Object to the form.

1 p.m.)

2 VIDEOGRAPHER: We're back on the
3 record at 12:42.

4 (Exhibit 511 was marked for
5 identification.)

6 Q. (By Mr. Chalos) We've marked as
7 Exhibit 511 a document entitled "Services agreement,"
8 dated January 1st, 2004 between St. Thomas Outpatient
9 Neurosurgical Center, LLC and St. Thomas Health
10 Services. It has the Bates number or Bates range of
11 DEREED-STHealth00001 through 3. I'll hand you that,
12 Doctor. That's Exhibit 511.

13 MR. SCHRAMEK: Thank you.

14 MS. GENO: Thank you.

15 Q. (By Mr. Chalos) What is this document,
16 sir?

17 A. This is a services agreement by which
18 STOPNC engages St. Thomas Health as a non-exclusive
19 provider of assistance with managed care contracting.

20 Q. Okay. And this St. Thomas Health Services
21 entity is the entity that's now known as St. Thomas
22 Health?

23 A. It is.

24 Q. So by 2004, the entity now known as St.
25 Thomas Health was known as St. Thomas Health Services?

1 A. Yes, sir.

2 Q. And it is signed -- if you flip to the
3 third page -- signed on behalf of St. Thomas Health
4 Services by a CFO of St. Thomas Health Services; is
5 that right?

6 A. That's what it appears to be, yes, sir.

7 Q. Do you recognize the name on that
8 signature?

9 A. No, sir.

10 Q. Looks to be Kenneth something or other.

11 A. Yep.

12 Q. And this contract -- if you look on Page 2,
13 Paragraph 3A -- calls for the client, who is defined
14 here as STOPNC, to pay the contractor, which is
15 defined here as St. Thomas Health Services, \$3,500 a
16 year paid in equal monthly installments for the
17 services that the contractor is providing, that's St.
18 Thomas Health Services; is that right?

19 A. Yes, sir.

20 Q. Did they -- they -- did St. Thomas -- did
21 STOPNC pay to St. Thomas Health Services for each year
22 that this contract was in effect \$3,500?

23 A. To the best of my knowledge, they did.

24 Q. Do you know if they paid it monthly or in a
25 lump sum?

1 A. I don't know.

2 Q. Was this contract in effect through 2012?

3 A. I believe it was. I believe it's in effect
4 today.

5 Q. Okay. And is it pursuant to the same
6 contract that we're looking at here as Exhibit 511?

7 A. There may have been an update. I haven't
8 looked. We sometimes review to make sure that the
9 rates are fair market value when we're selling
10 services to a physician or an entity.

11 Q. Have you seen any kind of update or
12 addendum to -- or new services agreement that relates
13 to the arrangement of negotiating managed care
14 contracts?

15 A. No. No, sir, I have not.

16 Q. So as far as we know here today, this is
17 the contract that governed in 2012?

18 A. Yes, sir.

19 Q. Was there a lease agreement between STOPNC
20 and the entity that owned the building where the
21 STOPNC clinic was?

22 A. You know, I don't have direct personal
23 knowledge of that. That office complex is owned by a
24 company called HRT. And so all I can do is assume
25 that STOPNC leased that space from HRT.

1 range of DEREED-STH01062 through 70. If you'd take a
2 look at that, my question to you is: What is this
3 document?

4 A. I'm not finding the exhibit.

5 Q. Well, stand by. We've now marked as
6 Exhibit 513. I think it's a collective -- it's called
7 a collective exhibit. A series of Exhibit A's.

8 (Exhibit 513 was marked for
9 identification.)

10 THE WITNESS: Okay. These appear to
11 go together. So together, they constitute
12 an agreement whereby St. Thomas Hospital
13 provided certain services to STOPNC for
14 fees.

15 MR. CHALOS: Okay. And just for
16 completeness, let's mark this as the next
17 numbered exhibit.

18 Q. (By Mr. Chalos) Okay. So we've now marked
19 as Exhibit 514 the first amendment to the services
20 agreement between St. Thomas Hospital and St. Thomas
21 Outpatient Neurosurgical Center. The first amendment
22 is Bates range DEREED-STH01029 through 01061. And it
23 looks like, as far as I can tell, the first amendment
24 relates to a federal exclusion from federal healthcare
25 programs and adding in some additional provisions

1 about corporate compliance and ethical and religious
2 directives. Does that square with your understanding?

3 (Exhibit 514 was marked for
4 identification.)

5 THE WITNESS: Yes, sir.

6 Q. (By Mr. Chalos) Okay. So going back --
7 let's go back to Exhibit 512, which is the services
8 agreement dated September 18th of 2000. Is this
9 services agreement with the exhibits and the first
10 amendment that we've marked as exhibits here -- is
11 this the contract that governed the services agreement
12 between St. Thomas Hospital and STOPNC through the
13 present day?

14 A. Yes, sir.

15 Q. Are you aware of any other amendments or
16 addenda to this agreement other than what we've marked
17 as Exhibits 512, 513 and 514?

18 A. Not through 2012. However, if I remember
19 correctly, some of the exhibits allow for annual
20 adjustment of the charges as they -- in the original
21 agreement, they were perpetual. So they need to be
22 adjusted upward for fair market value. So possibly
23 I'm recalling the wrong document, but this is all
24 broken up with --

25 Q. Yeah.

1 A. But if there were changes, they would have
2 been to negotiate the rates for various services. For
3 example, if we look at 513, which is an accounting
4 services addendum, your numbers 01022, that's an
5 increase from the hourly number in the original
6 agreement.

7 Q. Oh, I see. Okay. So if we look at 01073,
8 for example, that shows a rate -- that's the first
9 page of Exhibit 513.

10 A. Yeah.

11 Q. That shows a rate of \$50 an hour for
12 accounting services, monthly review of the general
13 ledger, and the next page of Exhibit 513 is 01022,
14 which has the cost of \$67.60. Is that what you were
15 meaning?

16 A. No. Actually -- yes, that is what I mean.
17 I'm sorry. I just didn't have the documents. So
18 these are -- these are addenda to different
19 agreements. But yeah. And there's a previous one
20 where I believe it was 30. So, I mean, I think
21 these -- these were negotiated upward over time.

22 Q. Okay. So from 2000 through the present
23 day, St. Thomas Hospital provided accounting services
24 to STOPNC continuously?

25 MR. SCHRAMEK: Object to the form.

1 THE WITNESS: I don't think
2 accounting -- it just depends on the
3 definition of accounts services. There
4 were certain defined services provided and
5 they're outlined in these agreements,
6 review of the general ledger. And then at
7 one point there was a request that -- that
8 that the accounting information be
9 summarized for a board presentation and --
10 but we're not talking about onsite
11 accounting services here.

12 Q. (By Mr. Chalos) I see. So if we look at
13 the first page of Exhibit 513, it's 01073 is the
14 number.

15 A. Okay.

16 Q. Bottom right. It says, addendum to
17 services agreement, service to be purchased,
18 accounting services, then the description is monthly
19 review, general ledger?

20 A. Yes, sir.

21 Q. So did St. Thomas Hospital provide a
22 monthly review of the general ledger of STOPNC from
23 September of 2000 through the present?

24 A. To the best of my knowledge, they did.

25 Q. Okay. And then if you flip to the next

1 page, this is 01022, addendum to the services
2 agreement, accounting services, including the monthly
3 review of the general ledger and now preparation of
4 board packet; right?

5 A. Yes, sir. And that was what I was
6 referring to as the summary of the financial
7 statements to be included with the board of governors
8 materials.

9 Q. I see. And this one is dated -- well,
10 there are two signatures, but it's either October or
11 November of 2006.

12 A. Yes.

13 Q. And do you think there was a subsequent
14 adjustment of the -- either the services provided or
15 the cost of the services relating to accounting
16 services?

17 A. I have no knowledge.

18 Q. Okay. The next page, this is 01023, it's
19 addendum to services agreement, service to be
20 purchased, credentialing description is provide
21 primary verification for physicians requiring
22 privileges -- I think it should say in the ASC?

23 A. Yes, sir.

24 Q. That "is" is probably a typo?

25 A. Yes, sir.

1 Q. Is that a service that St. Thomas Hospital
2 provided from 2000 through the present?

3 A. I have no reason to believe that it was
4 discontinued. So yes.

5 Q. Who is Marilyn Sechrest?

6 A. Well, this is '06. At the hospital, I
7 never had an operating role. But the folks who do
8 this work are the folks in the medical staff office,
9 medical staff services office, and this was primary
10 source verification which means that people seeking
11 privileges at the hospital, you need to check the
12 National Practitioner Data Bank. You need to make
13 sure they have a license. You need to make sure --
14 and so this is not making judgments on their
15 qualifications to practice. This is primary source
16 verification and large hospitals have enterprises
17 devoted to doing this. And for the few doctors at
18 STOPNC, I'm just assuming they determined that they
19 would have their primary source verification done at
20 the hospital.

21 Q. Did the primary source verification occur
22 on an ongoing basis? In other words, once it was done
23 with respect to physicians, it's done periodically
24 with respect to that same physician?

25 A. You know, I'm not an expert on the

1 A. Well, the -- this says provide primary
2 verification for physicians requiring privileges.
3 Credentialing is a whole -- is the term for the
4 process by which a medical staff determines who it
5 will admit and grant privileges to and that's a --
6 that's a process that involves committees and meetings
7 and research and interviews and it varies from medical
8 staff to medical staff.

9 So the other term would be credentialing,
10 and primary source verification is just a preliminary
11 step prior to the credentialing process even starting.

12 Q. I see. Does primary source verification
13 include reviewing a physician's disciplinary record?

14 A. I think it may include obtaining it. It
15 does not include reviewing it. It's a matter of
16 obtaining publicly available information on the
17 physician.

18 Q. Does the primary source verification
19 process also include obtaining documents that are not
20 otherwise publicly available?

21 A. I don't believe so. Again, this is not my
22 area of -- of minute expertise.

23 Q. And if you flip over, 01024, we're still in
24 Exhibit 513, it's service to be purchased. This is,
25 again, another addendum to the services agreement,

1 food services that were -- that involved providing
2 floor stock on a weekly basis; is that right?

3 A. Yes, sir.

4 Q. In other words, the -- at least at this
5 time on this page, the St. Thomas Hospital was to
6 provide floor stock to STOPNC of food?

7 A. Yes, sir.

8 Q. And then the next couple of pages here I
9 think detail that a little bit. That included at some
10 point provide meals to the staff of STOPNC if they so
11 desired; is that right?

12 A. Yes.

13 Q. And then if you continue on to Page 01076,
14 it's 513, addendum to services agreement for
15 instrument sterilization and packaging.

16 A. Yes, sir.

17 Q. What does that mean?

18 A. Hospitals have departments called central
19 sterile supply where instruments that are used in
20 procedures are cleaned and sterilized and packaged
21 into sterile packages for surgical procedures, and
22 this agreement says that on a case-by-case basis, if
23 STOPNC wanted to utilize the services of the
24 hospital's sterile supply, they could do so.

25 Q. Was this for reusable instruments only?

1 A. Reusable are the only ones who get
2 sterilized.

3 Q. Okay. If you flip over again to Page
4 01026, it says it's another addendum to services
5 agreement, service to be purchased pastoral care
6 services. Do you see that?

7 A. Yes, sir.

8 Q. The St. Thomas Hospital agreed to provide
9 in exchange for \$75 an hour staff education on the
10 ethical and religious directives for Catholic
11 healthcare services and to consult with patients and
12 families upon request; is that right?

13 A. Yes, sir.

14 Q. And in 2006, that was an increase from \$30
15 to \$75 per hour for that service. If you look at the
16 next page you'll see \$30 an hour.

17 A. Yeah, and that was 2000, so that's --
18 whether there were interim increases, I don't know,
19 but that was over six years.

20 Q. Okay. And then if you continue on, the
21 last page of Exhibit 513 is 01072, addendum to
22 services agreement for managed care contracting. Do
23 you see that?

24 A. Yes.

25 Q. And this is the exhibit or addendum

1 pursuant to which St. Thomas Hospital at that time
2 provided payor/employer negotiations, contract
3 analysis, contract language review, contract
4 maintenance and in-service coordination in connection
5 with the managed care contracts?

6 A. Yes, sir.

7 Q. And at some point that function was -- I'm
8 sorry -- I said that was the last page. That's not
9 the last page -- but that function was moved to St.
10 Thomas Health at some point?

11 A. The only agreement ever between St. Thomas
12 Health and STOPNC was when the managed care department
13 moved from the Hospital to Health and this portion of
14 this agreement was replaced with an agreement for St.
15 Thomas Health.

16 Q. Okay. The next page of Exhibit 513 is
17 01027. St. Thomas Hospital blood bank agreed to
18 provide or St. Thomas Hospital agreed to provide
19 emergency blood products for use at STOPNC upon
20 request; is that right?

21 A. Yes, sir.

22 Q. Do you know whether that ever actually
23 happened, that St. Thomas provided blood to patients
24 of STOPNC?

25 A. No, I don't. It's wise to have this

1 A. Well, you just asked me if there were any
2 services that they refused to provide, and I said the
3 requests would all be managed pursuant to the
4 agreements.

5 Q. Right. What I'm saying --

6 A. You're asking for services outside of the
7 agreements and the answer is, no, I'm not aware of
8 any.

9 Q. In other words, were there any services
10 that there is no agreement on that St. Thomas -- that
11 STOPNC asked St. Thomas Hospital to provide and St.
12 Thomas Hospital said, we're not going to do that?

13 A. I'm not aware of any requests nor am I
14 aware of any denials.

15 Q. Okay. Is there any reason St. Thomas
16 Hospital couldn't provide pharmacy services to STOPNC
17 at any time?

18 A. You're just asking -- I can only testify as
19 to an opinion and having run surgical centers, the
20 needs of the pharmacies are very, very, very
21 different. And it's an outpatient enterprise as
22 opposed to a hospital. Unit doses are different,
23 drugs used are different. So it wouldn't have been a
24 convenient or wise, natural thing to do. And my
25 understanding is that STOPNC had their own pharmacist

1 under contract, so it never was discussed, wouldn't
2 have occurred to me.

3 Q. Okay. Is there any reason they couldn't
4 have provided that service if asked?

5 MR. SCHRAMEK: Objection, form.

6 Q. (By Mr. Chalos) Let me ask that again. Is
7 there any reason St. Thomas Hospital couldn't have
8 provided pharmacy services to STOPNC if asked?

9 A. We did not have outpatient specific
10 pharmacy expertise, ambulatory surgery outpatient
11 pharmacy expertise. That would be a reason.

12 Q. Did St. Thomas Hospital -- let's say in
13 2012 -- have any outpatient services that it
14 administered?

15 A. Oh, yes.

16 Q. And as part of that, would they sometimes
17 give drugs to the patients?

18 A. Yes.

19 Q. Who handled the drugs for St. Thomas
20 Hospital's outpatient procedures?

21 A. The pharmacy.

22 Q. The St. Thomas Hospital pharmacy?

23 A. Yes, sir.

24 Q. So why couldn't that same pharmacy provide
25 outpatient drugs for the STOPNC?

1 and so I'm not sure the extent to which it was
2 implemented in all the different periods that are
3 referred to in all these different attachments, but --
4 but over time, we tried to work this provision into
5 every contract of any type.

6 Q. Is the -- is some patient transfer contract
7 in effect today between STOPNC and St. Thomas
8 Hospital?

9 A. I'm certain there is.

10 Q. In your April 2015 deposition, you said at
11 that point you had never been to the STOPNC facility.
12 Is that still true?

13 A. It is.

14 Q. Have you been in St. Thomas West Hospital
15 since 2012?

16 A. I have.

17 Q. Have you been up to the 9th floor of that
18 building?

19 MR. SCHRAMEK: Object to the form.

20 THE WITNESS: I'm not sure.

21 Q. (By Mr. Chalos) Is there a reason you
22 haven't been to the STOPNC facility?

23 A. I don't -- I don't know how to answer that.
24 We don't own or operate it and there are many, many
25 facilities that we own and operate that I haven't

1

DISCLOSURE

2

Pursuant to Article 10.B of the Rules
and Regulations of the Board of Court
Reporting of the Judicial Council of
Georgia which states: "Each court reporter
shall tender a disclosure form at the time
of the taking of the deposition stating the
arrangements made for the reporting
services of the certified court reporter,
by the certified court reporter, the court
reporter's employer or the referral source
for the deposition, with any party to the
litigation, counsel to the parties, or
other entity. Such form shall be attached
to the deposition transcript," I make the
following disclosure:

10

I am a Georgia Certified Court
Reporter. I am here as a representative of
Discovery Litigation Services, LLC.
Discovery Litigation Services, LLC was
contacted to provide court reporting
services for the deposition. Discovery
Litigation Services, LLC will not be taking
this deposition under any contract that is
prohibited by O.C.G.A. 9-11-28(c).

15

Discovery Litigation Services, LLC
has no contract/agreement to provide
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case, any counsel in the case, or any
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19

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will charge its usual and customary rates
to all parties in the case, and a financial
discount will not be given to any party to
this litigation.

22

23

Blanche J. Dugas
CCR No. B-2290

25

1 STATE OF GEORGIA:

2 COUNTY OF FULTON:

3

4 I hereby certify that the foregoing
5 transcript was reported, as stated in the
6 caption, and the questions and answers
7 thereto were reduced to typewriting under
8 my direction; that the foregoing pages
9 represent a true, complete, and correct
10 transcript of the evidence given upon said
11 hearing, and I further certify that I am
12 not of kin or counsel to the parties in the
13 case; am not in the employ of counsel for
14 any of said parties; nor am I in any way
15 interested in the result of said case.

16

17

18

19

20 BLANCHE J. DUGAS, CCR-B-2290

21

22

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24

25

1 CAPTION

2

6 It was requested that the deposition be
7 taken by the reporter and that same be reduced to
8 typewritten form.

9 It was agreed by and between counsel and
10 the parties that the Deponent will read and sign the
11 transcript of said deposition.

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**NEW ENGLAND COMPOUNDING PHARMACY INC. PRODUCTS LIABILITY
30(B)(6) VIDEOTAPED DEPOSITION OF MICHAEL SCHATZLEIN, M.D. on 07/21/2015**

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DEPOSITION ERRATA SHEET

DLS Assignment No. 23052

Case Caption: In Re: New England Compounding
Pharmacy, Inc. Products Liability
Litigation

Witness: MICHAEL SCHATZLEIN, M.D. - 07/21/2015

DECLARATION UNDER PENALTY OF PERJURY

I declare under penalty of perjury that I have read the entire transcript of my deposition taken in the captioned matter or the same has been read to me, and The same is true and accurate, save and except for changes and/or corrections, if any, as indicated by me on the DEPOSITION ERRATA SHEET hereof, with the understanding that I offer these changes as if still under oath.

Signed on the 3rd day of
September, 2015.

MICHAEL SCHATZLEIN, M.D.


Digitally signed
DN: cn=Michael J. Health, ou=Indiana, ja=mailto=mjhealth@usda.gov
c=US
Date: 2015-01-26 10:45:00

Digitally signed by Mike Schatzlein, M.D.
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DEPOSITION ERRATA SHEET

Page and line	Change to	Reason for change
28/22-23	“No. It’s a Saint Thomas Health board decision often with input from the senior leadership team.”	Clarification
48/9-10	“It was 2002.”	Clarification
51/17	“Until July 31, 2012 it was Dr. Batchelor and Alan Strauss.”	Clarification
51/21-23	“Yes, sir. Craig Polkow replaced Alan Strauss as of August 1, 2012.”	Clarification
52/8	Replace “2012” with “2013”	Clarification
53/25 to 54/5	No.	Clarification
55/12	Replace “formally” with “formerly”	Transcription error
61/15	“Yes, certain defined accounting services outlined in an agreement.”	Clarification per later testimony at 105/1-11
72/11	“No. Dawn Rudolph did not join the STOPNC board until 2013.”	Clarification
79/2-3	“Saint Thomas Network doesn’t manage STOPNC.”	Transcription error
86/17	Replace “remade” with “changed”	Clarification

SIGNATURE:  DATE: 9/3/2015


Digitally signed by Mike Schatzlein,
M.D.
DN: cn=Mike Schatzlein, M.D.,
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Date: 2015.09.03 15:34:59 -05'00'